



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Del D. Borgsdorf

SUBJECT: INVESTING IN RESULTS:

DATE: 04-06-00

MILESTONE 2 REVIEW AND DISCUSSION

RECOMMENDATION

Endorse performance measures at the City Service Area level as indicators of progress toward goals and objectives in service delivery and as a component of the context for discussing policy direction and resource allocations.

BACKGROUND

At a Committee of the Whole held on December 15 and 16, 1999, the City Council provided feedback on the City's core services as called for at Milestone 1 of *Investing Results*. At that meeting, the City Council focused on the core services in the departments as the building blocks for City-level services (termed City Service Areas) that the community and the City's customers expect.

Subsequently, on January 20, 2000 and February 28, 2000, the City Council held two study sessions to discuss the framework and policy priorities for City Service Areas and the Council's visions of success for the City Service Areas and policy priorities.

This staff report summarizes the progress to date in building the framework for *Investing in Results* and discusses specifically the development and use of City Service Area performance measures. The latter is the focus of the study session on Milestone 2 scheduled for April 13, 2000 at the Convention Center.

ANALYSIS

PROGRESS TO DATE

Employee Involvement

Since the launch of Investing in Results (IiR) in June, 1999, thousands of City employees have been directly involved in or exposed to this effort that is refocusing service delivery on customers and results. Within departments, cross-functional and multi-level teams have guided additional employees in the identification of core services and development of core service performance measures. Within the next six months, nearly all employees will be directly involved in developing performance measures for the services they provide.

In addition to the direct participation of many employees, the majority of other employees have attended departmental meetings on IiR and/or participated in Benefits and Concerns forums held by QUEST's Labor Liaison and other bargaining group representatives. Through these and other communication channels, such as newsletters, e-mails and Citywide training courses, the entire organization is being exposed to the principles of IiR.

Framework for Investing in Results

As discussed at Milestone 1, Investing in Results began with employees throughout all departments identifying the key lines of business the departments provide – the core services – and the ways that services at all levels within the departments contribute to the core services. Within departments, core services represent the framework for managing the delivery of customer-focused services from the front line to senior departmental management. These services are reflected to the right of the dotted line on the City's alignment model depicted in Attachment A. Based on customer feedback from direct customers and the City Council, staff has continued to refine the core services to achieve clarity and consistency.

Once the inventory of core services was identified, the Council and staff began to focus on the services that transcend departmental boundaries and represent the City's key lines of business. It is at this higher level of services, referred to as City Service Areas, that the City Council is best positioned to provide direction on desired outcomes from a citywide perspective. These services are reflected to the left of the dotted line on Attachment A.

At the January study session, the Council discussed their visions for the City Service Areas. The discussion of outcomes at the City Service Area level led to the framing of policy priorities (see Attachment B), which reflect quality of life goals incorporating multiple City Service Areas. At the February study session, the Council discussed further what success looks like in the policy priorities. The Council discussion set forth visions, goals and objectives for the policy priorities that provide guidance to staff for service delivery at the City Service Area level. Attachment C lists the chronology of progress to date in building the Investing in Results framework.

CITY SERVICE AREA PERFORMANCE MEASURES

Performance Measure Development

Since Milestone 1, staff has been engaged in developing performance measures at the core service level. More recently, staff has developed performance measures for the City Service Areas. As was the case in core service identification, the development of performance measures has included customer focus groups to achieve clear and meaningful measures. Staff has also considered Council feedback from last year's budget hearings, Milestone 1 Committee of the Whole, and the study sessions in the development of the measures.

Milestone 2 focuses on the performance measures at the City Service Area level, which is the level at which the Council discusses outcomes from a citywide perspective and sets strategic direction that drives service delivery throughout the organization.

Using City Service Area Performance Measures

Performance measures are a critical component in the framework for a customer-focused, results-driven organization. They can indicate progress toward goals and toward meeting our customers' requirements and help us communicate to our customers and the community in general. They can also identify opportunities for improvement – in investment levels, in processes, or in service delivery.

Performance measures are only one component in a comprehensive system of service delivery and management, however, and thus are not considered in isolation. In addition, building the City's performance measurement system is a work in progress. It will take further analyses and experience to determine the measures that best track results and inform improvements. Thus, the City Service Area performance measures presented and discussed at the Milestone 2 study session should be viewed as a first attempt at telling a meaningful part of the story about results. The measures are based on staff analyses, customer feedback and Council comments to date.

The presentations and discussion at the Milestone 2 study session will focus on the usefulness of the performance measures at the City Service Area level to set policy and investment direction that gets translated into action at the core and operational service levels. Focusing on desired outcomes in the City Service Areas provides a discussion platform for balancing priorities and determining policy and investment strategies. The priorities and strategies then drive the services delivered throughout the organization.

Secondly, Milestone 2 will illustrate the City Service Area performance measures through the customers' lens. Because the community or particular customers see and care about the results of services that cross departmental lines, it is the City Service Area level that best reflects their perspective. Measures at this level capture the ultimate results of services customers care about.

While Milestone 2 will focus on seven of the 14 City Service Areas to illustrate the use of performance measures at this level, the Council will have the opportunity to discuss any of the City Service Areas and their performance measures at the study session. The agenda for the study session is included as Attachment D. Attachment E includes profiles of all 14 City Service Areas, comprised of their name and definition, service partners, customers, related core services, pictures of success, indicators and performance measures. The indicators are higher level measures that are typically largely outside the City's control, but are important for understanding the breadth and depth of issues related to City Service Areas.

NEXT STEPS

Based on feedback from the Council and additional customer focus groups, staff will refine the City Service Area performance measures for presentation and a brief discussion in the FY 2000-2001 budget. In the transitional years leading to a citywide performance-based budget, both the City Service Area and the core service performance measures will appear in the budget. Over the transition period, the emphasis in the budget will evolve to a greater focus on performance results in the City Service Areas.

Staff will continue to refine core service performance measures and develop performance measures at the operational levels. Data collection at all levels will also begin. Through the ongoing process of tracking performance measures, using them to manage service delivery, and obtaining feedback from customers, it is expected that refinement of the measures will continue into the next few years.

Customer feedback is a critical component of the City's performance measurement system. As the City proceeds toward Milestone 3, staff will undertake several actions to enhance the City's customer input and feedback mechanisms. First, staff will conduct a professional-quality community-wide survey to gauge public interests and evaluate City services. Staff will also institute a citywide employee survey to gauge employee well-being and evaluate the effectiveness of the organization in maintaining a well-trained workforce. Both of these surveys will be conducted on a regular basis. The organization will also enhance service-specific customer surveys through staff training on professional, consistent survey design and implementation. Citywide survey and performance information will be included in a performance report to be developed and distributed next year.

In Fall 2000, the City Council will hold the Milestone 3 study session to discuss trends, issues, and results in City Service Areas in order to set policy and investment direction for the next fiscal year and beyond.

PUBLIC OUTREACH

In developing performance measures at the core service and City Service Area level, every department and City Service Area team obtained input from key customers of their services. The majority of the input occurred in customer focus groups wherein customers were asked if the performance measures were clear, if they were meaningful to them as customers, and if any meaningful measures were missing.

COORDINATION

The preparation of this report has been coordinated with all City Service Area teams.

Del D. Borgsdorf
City Manager

Attachments